

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

<div data-bbox="1312 346 1429 445" data-label="Text"><p>A</p></div> <div data-bbox="508 556 966 676" data-label="Text"><p>E-01773A Arizona Electric Power Cooperative, Inc. PO Box 670 Benson, AZ 85602</p></div> <div data-bbox="1282 791 1414 840" data-label="Text"><p>RECEIVED</p></div>
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APR 15 2010  
ACC UTILITIES DIRECTOR

**ANNUAL REPORT**  
**Electric**

**FOR YEAR ENDING**

12	31	2009
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FOR COMMISSION USE

ANN 01	09
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4-14-10

## COMPANY INFORMATION

Company Name (Business Name) Arizona Electric Power Cooperative, Inc.

Mailing Address PO Box 670  
(Street)

Benson AZ 85602-0670  
(City) (State) (Zip)

520-586-3631 520-586-5343  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address \_\_\_\_\_

Local Office Mailing Address 1000 So. Hwy. 80  
(Street)

Benson AZ 85602-0670  
(City) (State) (Zip)

Same as above  
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address \_\_\_\_\_

## MANAGEMENT INFORMATION

☒ Regulatory Contact:

☐ Management Contact: Joe King Sr. Financial Analyst  
(Name) (Title)

1000 So. Hwy 80 Benson AZ 85602-0670  
(Street) (City) (State) (Zip)

520-586-5129  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address jking@ssw.coop

On Site Manager: Gary Grim  
(Name)

3525 N. Hwy 191 Cochise AZ 85606  
(Street) (City) (State) (Zip)

520-586-3631  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address \_\_\_\_\_

**Statutory Agent:** Rusing and Lopez PLLC  
(Name)

6262 N.Swan Rd., Suite 200, Tucson AZ 85718  
(Street) (City) (State) (Zip)

520-792-4800 520-529-4262  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

**Attorney:** \_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Street) (City) (State) (Zip)

\_\_\_\_\_  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

**Email Address** plopez@rusingandlopez.com

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |   |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S)    | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                     |
| <input type="checkbox"/> Bankruptcy (B)         | <input checked="" type="checkbox"/> Association/Co-op (A)                 |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                        |
| <input type="checkbox"/> Other (Describe) _____ |   |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |  |                                   |                                   |
|--|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE  | <input type="checkbox"/> COCHISE  | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA  | <input type="checkbox"/> GRAHAM   | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ  | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO  | <input type="checkbox"/> PIMA     | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ  | <input type="checkbox"/> YAVAPAI  | <input type="checkbox"/> YUMA     |
| <input checked="" type="checkbox"/> STATEWIDE (Wholesale Sales of Electricity) |                                   |                                   |

## SERVICES AUTHORIZED TO PROVIDE

Check the following box/es for the services that you are authorized to provide:

☒ **Electric**

- ☐ Investor Owned Electric
- ☒ Rural Electric Cooperative
- ☐ Utility Distribution Company
- ☐ Electric Service Provider
  - ☐ Transmission Service Provider
  - ☐ Meter Service Provider
  - ☐ Meter Reading Service Provider
  - ☐ Billing and Collection
  - ☐ Ancillary Services
  - ☐ Generation Provider
  - ☐ Aggregator/Broker

☐ **Other** (Specify) \_\_\_\_\_

## STATISTICAL INFORMATION

Total number of customers

Residential

Commercial

Industrial

Public Street and Highway lighting

Irrigation

Resale

26

Total kilowatt-hours sold

Residential

Commercial

Industrial

Public Street and Highway lighting

Irrigation

Resale

2,802,771,776

Maximum Peak Load

607

MW

COMPANY NAME:

**UTILITY SHUTOFFS / DISCONNECTS**

MONTH		Termination without Notice R14-2-211.B	Termination with Notice R14-2-211	OTHER
JANUARY				
FEBRUARY				
MARCH				
APRIL				
MAY				
JUNE				
JULY				
AUGUST				
SEPTEMBER				
OCTOBER				
NOVEMBER				
DECEMBER				
TOTALS →				

OTHER (description):

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VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

RECEIVED

ACCUTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Cochise</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Donald W. Kimball, Executive VP &amp; CEO</u>
COMPANY NAME	<u>Arizona Electric Power Coop., Inc.</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2009 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 200,817,946

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$  
IN SALES TAXES BILLED, OR COLLECTED)

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

Donald W. Kimball  
SIGNATURE OF OWNER OR OFFICIAL

520-586-3631  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

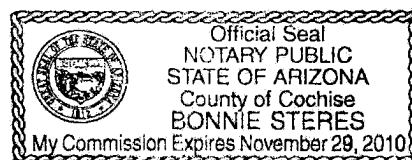
THIS 12<sup>th</sup> DAY OF

(SEAL)

COUNTY NAME	<u>Cochise</u>
MONTH	<u>April</u>
	<u>.2010</u>

Bonnie Steres  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 11-29-2010



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

RECEIVED  
APR 24 2010  
ACC UTILITIES DIRECTOR

STATE OF ARIZONA

I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME) <b>Cochise</b>	
NAME (OWNER OR OFFICIAL) <b>Donald W. Kimball</b>	TITLE <b>Exec. VP &amp; CEO</b>
COMPANY NAME <b>Arizona Electric Power Coop. Inc.</b>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2009 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES  \$ <u>0</u>
--

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

  
SIGNATURE OF OWNER OR OFFICIAL

520-586-3631  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

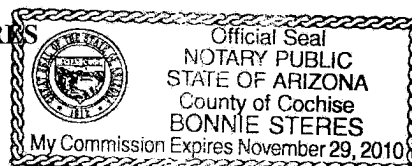
12<sup>th</sup>

DAY OF


(SEAL)

MY COMMISSION EXPIRES

11-29-10



NOTARY PUBLIC NAME <b>Bonnie Steres</b>	
COUNTY NAME <b>Cochise</b>	
MONTH <b>April</b>	20 <b>10</b>

  
SIGNATURE OF NOTARY PUBLIC

## **FINANCIAL INFORMATION**

Attach to this annual report a copy of the Company year-end (Calendar Year 2009) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**



USDA-RUS  <b>OPERATING REPORT - FINANCIAL</b>		BORROWER DESIGNATION ARIZONA 28 BORROWER NAME AND ADDRESS ARIZONA ELECTRIC POWER COOPERATIVE, INC. P.O. BOX 670 BENSON, ARIZONA 85602	
<i>INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-3</i>		PERIOD ENDING 31-Dec-09	<b>RUS USE ONLY</b>

**CERTIFICATION**

*We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.*

ALL INSURANCE REQUIRED BY PART 1788 OF 7CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

\_\_\_\_\_  
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

\_\_\_\_\_  
SIGNATURE OF MANAGER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE

SECTION A. STATEMENT OF OPERATIONS					
ITEM	YEAR-TO-DATE			THIS MONTH	
	LAST YEAR	THIS YEAR	BUDGET		
		(a)	(b)	(c)	(d)
1. Electric Energy Revenues	203,622,664	198,472,527	214,080,100	18,782,399	
2. Income From Leased Property - Net		0	0	0	
3. Other Operating Revenue and Income	12,324,723	10,346,457	15,040,400	820,607	
<b>4. Total Oper. Revenues &amp; Patronage Capital (1 thru 3)</b>	<b>215,947,387</b>	<b>208,818,984</b>	<b>229,120,500</b>	<b>19,603,006</b>	
5. Operation Expense - Production - Excluding Fuel	12,134,055	11,507,022	14,016,200	1,117,738	
6. Operation Expense - Production - Fuel	69,633,145	79,520,400	112,987,500	8,948,373	
7. Operation Expense - Other Power Supply	54,436,901	40,710,383	31,112,000	4,325,933	
8. Operation Expense - Transmission	16,426,915	16,188,669	17,067,000	1,377,616	
9. Operation Expense - Distribution	0	0	0	0	
10. Operation Expense - Consumer Accounts	0	0	0	0	
11. Operation Expense - Consumer Service & Information	0	0	0	0	
12. Operation Expense - Sales	0	0	0	0	
13. Operation Expense - Administrative & General	10,916,839	11,565,303	10,523,500	787,575	
<b>14. Total Operation Expense (5 thru 13)</b>	<b>163,547,855</b>	<b>159,491,777</b>	<b>185,706,200</b>	<b>16,557,235</b>	
15. Maintenance Expense - Production	16,046,238	18,179,802	14,302,568	1,736,076	
16. Maintenance Expense - Transmission	16,344	58,307	45,872	4,259	
17. Maintenance Expense - Distribution	0	0	0	0	
18. Maintenance Expense - General Plant	224,251	377,971	297,361	6,205	
<b>19. Total Maintenance Expense (15 thru 18)</b>	<b>16,286,833</b>	<b>18,616,080</b>	<b>14,645,800</b>	<b>1,746,540</b>	
20. Depreciation & Amortization Expense	8,069,925	8,818,475	8,316,000	1,218,054	
21. Taxes	0	0	0	0	
22. Interest on Long-Term Debt	10,459,715	10,622,133	10,626,800	939,087	
23. Interest Charged to Construction - Credit	-180,136	-101,703	-155,800	-3,575	
24. Other Interest Expense	1,035,156	924,021	981,800	163,800	
25. Other Deductions	221,322	2,413,330	0	2,312,440	
<b>26. Total Cost of Electric Service (14 + 19 thru 25)</b>	<b>199,440,670</b>	<b>200,784,112</b>	<b>220,120,800</b>	<b>22,933,581</b>	
<b>27. Operating Margins (4 - 26)</b>	<b>16,506,717</b>	<b>8,034,872</b>	<b>8,999,700</b>	<b>-3,330,575</b>	
28. Interest Income	590,025	300,826	537,600	-128,145	
29. Allowance for Funds Used During Construction	0	0	0	0	
30. Income (Loss) from Equity Investments	0	0	0	0	
31. Other Nonoperating Income - Net	157,501	-42,220	581,200	-311,612	
32. Generation & Transmission Capital Credits	101,528	1,043,505	0	1,015,814	
33. Other Capital Credits & Patronage Dividends		0	0	0	
34. Extraordinary Items	0	0	0	0	
<b>35. Net Patronage Capital or Margins (27 thru 33)</b>	<b>17,355,771</b>	<b>9,336,983</b>	<b>10,118,500</b>	<b>-2,754,518</b>	
ITEM	Mills/kWh (Optional Use by Borrower)				
36. Electric Energy Revenue Per kWh Sold		0.00			
37. Total Operation & Maintenance Expense Per kWh Sold		0.00			
38. Total Cost of Electric Service Per kWh Sold		0.00			
39. Purchased Power Cost Per kWh		0.00			

USDA - RUS		BORROWER DESIGNATION	RUS USE ONLY
<b>OPERATING REPORT - FINANCIAL</b> ARIZONA ELECTRIC POWER COOPERATIVE, INC.		ARIZONA 28	
		MONTH ENDING	
		31-Dec-09	
<b>SECTION B. BALANCE SHEET</b>			
<b>ASSETS AND OTHER DEBITS</b>		<b>LIABILITIES AND OTHER CREDITS</b>	
1. Total Utility Plant in Service .....	429,448,020	32. Memberships .....	430
2. Construction Work in Progress .....	8,306,864	33. Patronage Capital	
3. Total Utility Plant (1 + 2) .....	437,754,884	a. Assigned and Assignable .....	74,557,639
4. Accum. Provision for Depreciation & Amort. ....	-212,513,543	b. Retired This Year .....	0
<b>5. Net Utility Plant (3 - 4) .....</b>	<b>225,241,340</b>	c. Retired Prior Years .....	0
6. Non-Utility Property - Net .....	0	d. Net Patronage Capital .....	74,557,639
7. Investment in Subsidiary Companies .....	0	34. Operating Margins - Prior Years .....	
8. Invest. in Assoc. Org. - Patronage Capital .....	4,157,255	35. Operating Margins - Current Year .....	9,078,377
9. Invest. in Assoc. Org. - Other - General Funds ...		36. Non-Operating Margins .....	258,606
10. Invest. in Assoc. Org. - Other - Non-Gen. Funds ..	8,696,234	37. Other Margins and Equities .....	
11. Investments in Economic Development Projects ..	0	<b>38. Total Margins &amp; Equities (32 + 33d thru 37) ....</b>	<b>83,895,052</b>
12. Other Investments .....	0	39. Long-Term Debt - REA (Net) .....	109,266
13. Special Funds .....	2,831,546	(Payments-Unapplied \$ .....)	-127,909
<b>14. Total Other Property &amp; Investment (6 thru 13) .</b>	<b>15,685,035</b>	40. Long-Term Debt - REA - Econ. Devel.(Net).....	0
15. Cash - General Funds .....	667,151	41. Long-Term Debt - FFB - REA Guaranteed .....	135,222,860
16. Cash - Construction Funds - Trustee .....	0	42. Total Long-Term Debt - Other - REA Guaranteed .	0
17. Special Deposits .....	700,276	43. Total Long-Term Debt - Other (Net) .....	44,845,440
18. Temporary Investments .....	106,510	<b>44. Total Long-Term Debt (39 thru 43) .....</b>	<b>180,049,657</b>
19. Notes Receivable - Net .....	0	45. Obligations Under Capital Leases - Noncurrent ...	4,088,429
20. Accounts Receivable - Sales of Energy (Net) ....	20,942,956	46. Accumulated Operating Provisions and Asset Retir	1,901,195
21. Accounts Receivable - Net .....	645,392	<b>47. Total Other Noncurrent Liabilities (45 + 46) ....</b>	<b>5,989,624</b>
22. Fuel Stock .....	36,491,913	48. Notes Payable .....	22,442,010
23. Materials and Supplies - Other .....	7,238,226	49. Accounts Payable .....	15,918,639
24. Prepayments .....	1,298,301	50. Taxes Accrued .....	1,778,015
25. Other Current and Accrued Assets .....	76,824	51. Interest Accrued .....	699,972
<b>26. Total Current and Accrued Assets (15 thru 25) .</b>	<b>68,167,547</b>	52. Other Current & Accrued Liabilities .....	2,166,818
27. Unamortized Debt Disc. & Extraord. Prop. Losses	269,519	<b>53. Total Current &amp; Accrued Liabilities (48 thru 52) .</b>	<b>43,005,454</b>
28. Regulatory Assets .....	0	54. Deferred Credits .....	7,237,873
29. Other Deferred Debits .....	10,814,220	55. Accumulated Deferred Income Taxes .....	0
30. Accumulated Deferred Income Tax .....	0	<b>56. Total Liabilities and Other Credits</b>	
<b>31. Total Assets &amp; Other Debits (5 + 14 + 26 Thru 30)</b>	<b>320,177,661</b>	<b>(38 + 44 + 47 + 53 thru 55) .....</b>	<b>320,177,661</b>